

ACSI Commentary: Federal Government Scores

December 15, 2006

By Professor Claes Fornell

The Donald C. Cook Professor of Business Administration

Director, National Quality Research Center, Stephen M. Ross School of Business,

University of Michigan

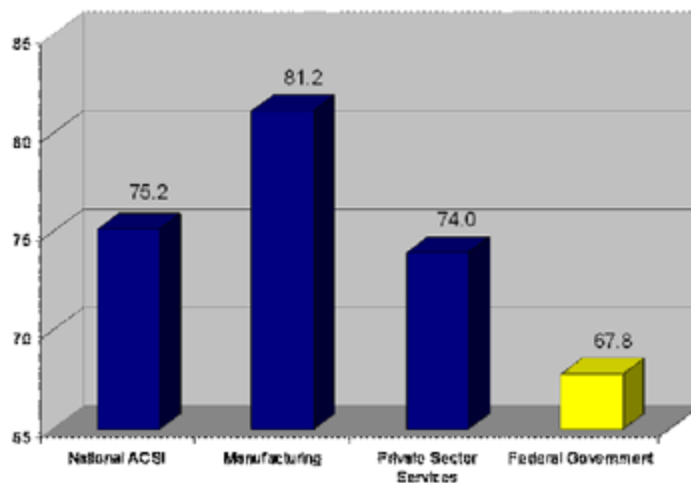
Chairman, CFI Group

Satisfaction with Federal Government Services Trails Private Sector

Service Courteous but Slow; Problems at Homeland Security; E-Government Better but not as Good as Last Year

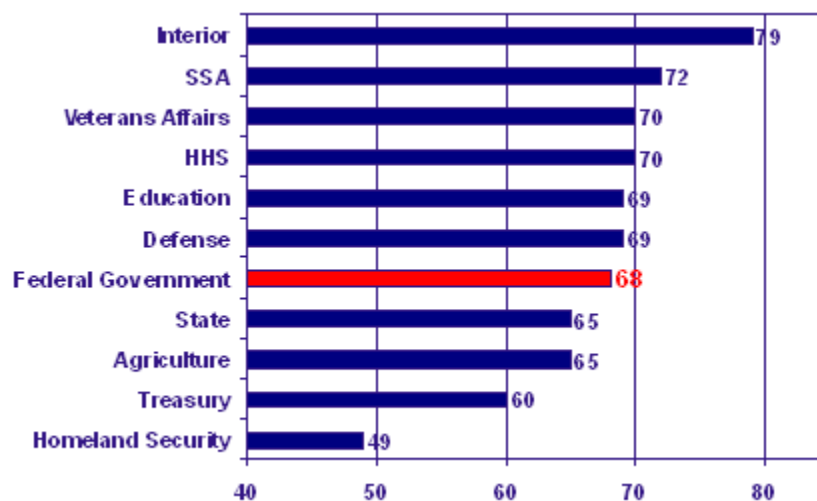
Citizen satisfaction with the federal government is well below the private sector, according to the latest American Customer Satisfaction Index (ACSI). On a 100-point scale, the ACSI for federal government services for 2007 is 67.8, reflecting a new and expanded measure of services provided by federal agencies. This includes first time measures for several large departments such as defense and homeland security, and the satisfaction of applicants for disability and other benefits from the Social Security Administration and Veterans Affairs. Customers of federal agencies give government strong marks on courtesy and professionalism but do not find the services particularly accessible, timely, or efficient. Only a few private sector services industries have lower satisfaction: newspapers at 66, airlines at 63 and cable/satellite TV at 62. A bright spot for the government remains its higher satisfaction scores for services delivered via the Internet. Satisfaction with e-Government for the year 2007 scores 73.4, 8% higher than the average for all government services.

2007 Federal Government Compared with Private Sector



Although aggregate satisfaction with the federal government is lower than the private sector, several agencies are on par with private industry. At the top is the National Cemetery Administration in the Department of Veterans Affairs with a score of 95 (on a 0-100 scale). Another strong performer is the Mint at 86. At the other end of the scale are the IRS Large and Midsize Business tax filers at 52 and individual paper tax filers at 55.

For federal departments as a whole, there are some that do very well with customers. The Department of Interior, home of the popular National Park Service, leads with a score of 79. The Social Security Administration and Veterans Affairs, two departments with large populations of benefits recipients (typically a more gratifying type of government service), receive lower scores of 72 and 70, respectively, though still above the government-wide average.



With a score of 60, the Department of Treasury, pulled down by the IRS, is below the federal average. The Department of Homeland Security, with an ACSI score of 49, is at the very bottom of the list. While Homeland Security agencies like the Transportation Security Administration, Immigration, and Customs have critical regulatory functions especially since 9/11, they also create burdens for citizens who must endure longer lines and restrictive air travel security procedures.

For IRS, individual paper tax filers make the largest gain, up 8% to an all-time high score of 55. Satisfaction with the electronic tax filing process for households is much higher and continues to get better, up 3% to 78, its highest score since 2005. Satisfaction among Small Business Corporate filers improves by 3% to 63 while Large and Midsize Business Corporate filers remains unchanged at 52. The upward trend overall for tax filer satisfaction is due to the continuing growth in the number of filers using the electronic filing.

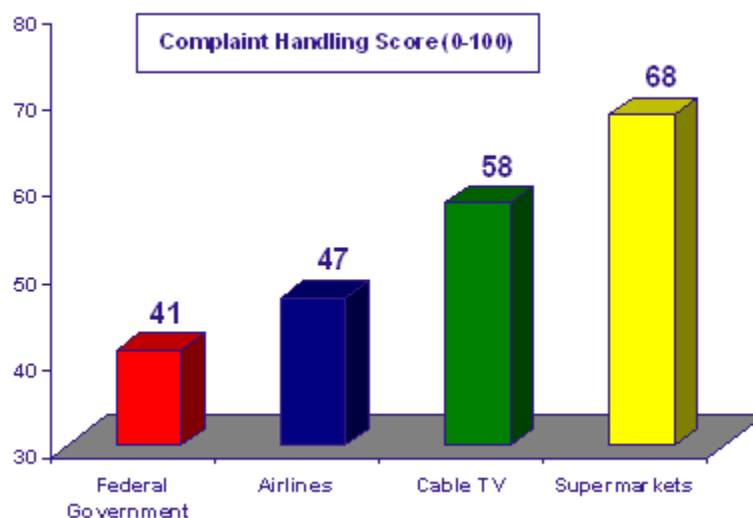
After reaching its highest-ever ACSI score of 70 in 2006, the Federal Aviation Administration's commercial pilots satisfaction is down 9% to 64, a sharp reversal of an upward trend since 2000. The drop in satisfaction is primarily driven by pilot displeasure with FAA's policies, standards, and regulations, particularly with the degree to which the policies are clear and understandable, and whether they are applied consistently. This decline comes on the heels of a recent survey of more than 24,000 pilots conducted by NASA citing serious concerns with many facets of airline safety.

Passport applications and renewals is another problem area. Down 7% to 70, the Bureau of Consular Affairs receives its lowest-ever ACSI score for passport services. Longer-than-normal application processing times are to blame, much of it due to new requirements for passports when traveling to Canada, Mexico and the Caribbean.

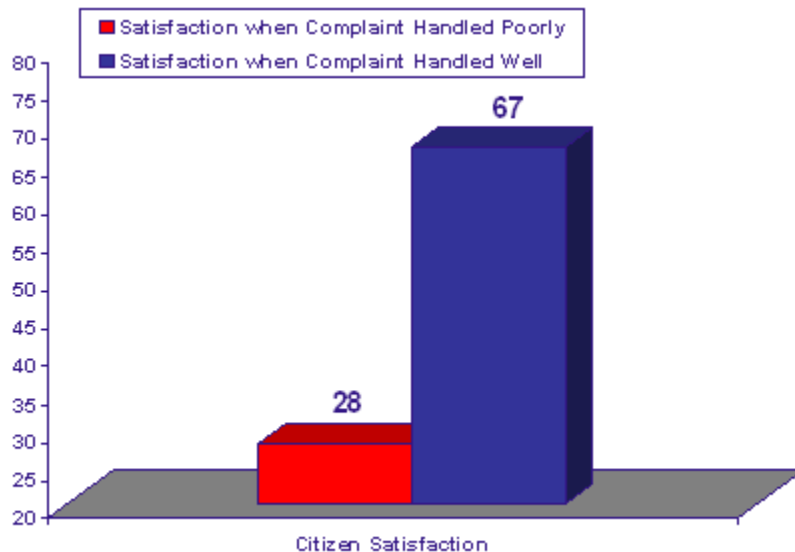
Complaints and Complaint Handling

Compared to the private sector, federal government agencies receive relatively few complaints on average. ACSI data indicates that 9.1% of federal agency customers complained in the past 12 months. This is lower than the private sector-wide rate of 14.3%, and well below cable TV (44%), wireless telephone service (34%) and banks (27%).

Nevertheless, the data also show that federal agencies could do a much better job handling the complaints they do receive. The chart below compares the federal government to some private sector industries on their ability to resolve customer complaints, as judged by the complainants themselves.



The reason that government agencies get fewer complaints than most corporations is, in all likelihood, that dissatisfied customers/citizens don't expect complaining to be worth the trouble. Furthermore, among those that do complain, there are large differences in satisfaction between those who feel their complaint was handled well and those don't.



Satisfaction among complainants who were treated well is 67, a score about equal to the government-wide satisfaction score. However, for those whose complaints remained unresolved, satisfaction drops to an abysmal 28. The lesson here is clear: good complaint handling can markedly improve an agency's satisfaction.

Federal Government Websites

ACSI also measures satisfaction with more than 100 different federal government websites. The ACSI e-Government index for the year 2007 is 73.4. Online services represent a major effort by government to improve timeliness and efficiency, and online services are doing considerably better than government services delivered offline. However, like offline services, there is a wide range from a high of 88 for the Social Security Administration's benefits application site to a low of 49 for FEMA's Map Modernization site. This year 20% of the measured websites score 80 or better, but a larger proportion, 28%, score below 70, indicating that government's delivery of high quality services online remains a mixed success, but also one with considerable potential.